



# **BLACKHAM**

## **RESOURCES LIMITED**

ABN 18 119 887 606

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Interim Financial Report  
For the Half-Year Ended  
31 December 2011

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**BLACKHAM RESOURCES LIMITED**  
**ABN 18 119 887 606**

**INTERIM FINANCIAL REPORT**  
**For the Half Year Ended 31 December 2011**

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## **COMPANY DIRECTORY**

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### **DIRECTORS**

Brett Smith  
(Non-Executive Chairman)

Bryan Dixon  
(Managing Director)

Alan Thom  
(Non-Executive Director)

Greg Miles  
(Executive Director)

### **COMPANY SECRETARY**

Julie Hill

### **REGISTERED OFFICE**

Level 2, 38 Richardson Street  
WEST PERTH WA 6005  
Telephone: +618 9322 6418  
Facsimile: +618 9322 6451

### **AUDITORS**

RSM Bird Cameron Partners  
8 St Georges Terrace  
PERTH WA

### **SHARE REGISTRAR**

Advanced Share Registry Services  
150 Stirling Highway  
NEDLANDS WA 6009  
Telephone: (08) 9389 8033  
Facsimile: (08) 9389 7871

### **STOCK EXCHANGE LISTING**

Australian Stock Exchange  
(Home Exchange: Perth, Western Australia)  
Codes: BLK

**BLACKHAM RESOURCES LIMITED  
AND CONTROLLED ENTITIES**

**HALF-YEAR FINANCIAL REPORT**

**DIRECTORS' REPORT**

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Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2011.

**DIRECTORS**

The names of Directors who held office during or since the end of the half year:

Brett Smith  
Bryan Dixon  
Alan Thom  
Greg Miles

Appointed 18 October 2011

**REVIEW OF OPERATIONS**

During the half year the Blackham Group has continued to evaluate the development of the Scaddan Coal and Zanthus Projects and also finalised the acquisition of the Matilda Gold Project.

The Scaddan Coal Project is being evaluated for both coal export and the development of a coal to liquids (CTL) operation. The Scaddan Coal Project is located 60km north of the Esperance Port which is currently planned for a 20Mtpa expansion.

During the half year just gone the Group and its consultants advanced the following tasks:

- Coal export scoping study gives A\$770M NPV with IRR 23%
- Discussions with Esperance Port ongoing regarding the export of coal
- Coal upgrading results confirm a 4,690kcal product
- Zanthus confirmation drilling results suggest higher energy zone within the coal seam
- CTL Preliminary Processing Study completed

The Blackham Group also finalised the acquisition of the 100% of the Matilda Gold Project. The Matilda Gold highlights include:

- over 600km<sup>2</sup> of highly prospective but unloved and forgotten gold ground.
- 40km of strike along the Wiluna Mine Sequence which has produced 4 million ounces of gold
- Two old mines Matilda and Williamson included in the package
- 601,000oz inferred resources confirmed from historical data
- New Executive Director appointed to manage the gold assets
- Matilda mine offers outstanding exploration and near term opportunity

Blackham's directors and employees are focused on advancing both these projects for the benefit of shareholders.

## SUBSEQUENT EVENTS

In March 2012, the Company finalised the placement of 4,750,000 ordinary shares at issue price of 20 cents to raise \$950,000.

## LEAD AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The lead auditor's independence declaration for the period ended 31 December 2011 has been received and can be found on page 15 of this report.

Signed in accordance with a resolution of the Board of Directors.



Bryan Dixon  
Managing Director

Perth  
Dated : 12 March 2012

### Competent Persons Statement

*The information contained in the report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled or reviewed by Mr Greg Miles, who is an employee of the Company. Mr Miles is a Member of the Australasian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Miles has given consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The JORC Code – "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", the Joint Ore Reserves Committee of the AusIMM AIG and MCA, December 2004.*

**BLACKHAM RESOURCES LIMITED  
AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the Half-Year Ended 31 December 2011

|  | 31 December 2011<br>\$ | 31 December 2010<br>\$ |
|--|------------------------|------------------------|
| <b>Revenue</b>   | 23,971                 | 159,579                |
| Administration expenses  | (127,793)              | (107,367)              |
| Compliance and regulatory expenses   | (181,117)              | (89,048)               |
| Employee and consultancy costs   | (7,430)                | (90,506)               |
| Directors fees   | (60,867)               | (88,348)               |
| Equity based payments  | (176,262)              | -                      |
| Exploration expenditure written off  | -                      | (6,641)                |
| Fair value (loss) on financial assets at fair value<br>through profit and loss | (14,117)               | (9,425)                |
| <b>Loss before income tax</b>  | (543,615)              | (231,756)              |
| Income tax expense   | -                      | -                      |
| <b>Loss from continuing operations</b>   | (543,615)              | (231,756)              |
| <b>Other comprehensive income</b>  | -                      | -                      |
| <b>Total comprehensive loss for the period</b>                                 | (543,615)              | (231,756)              |
| Basic loss per share (cents per share)   | (1.36)                 | (0.60)                 |
| Diluted loss per share (cents per share)                                       | (1.36)                 | (0.60)                 |

*The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*

**BLACKHAM RESOURCES LIMITED  
AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2011

|  | Note | 31 December 2011<br>\$ | 30 June 2011<br>\$ |
|--|------|------------------------|--------------------|
| <b>CURRENT ASSETS</b>                  |      |                        |                    |
| Cash and cash equivalents              |      | 320,297                | 1,409,643          |
| Trade and other receivables            |      | 146,891                | 149,722            |
| Financial assets                       |      | 131,202                | 137,327            |
| <b>TOTAL CURRENT ASSETS</b>            |      | <u>598,390</u>         | <u>1,696,692</u>   |
| <b>NON-CURRENT ASSETS</b>              |      |                        |                    |
| Plant and equipment                    |      | 27,175                 | 7,778              |
| Receivables                            |      | 25,742                 | 25,318             |
| Exploration and evaluation expenditure |      | 6,844,720              | 2,707,047          |
| <b>TOTAL NON-CURRENT ASSETS</b>        |      | <u>6,897,637</u>       | <u>2,740,143</u>   |
| <b>TOTAL ASSETS</b>                    |      | <u>7,496,027</u>       | <u>4,436,835</u>   |
| <b>CURRENT LIABILITIES</b>             |      |                        |                    |
| Trade and other payables               |      | 427,989                | 88,609             |
| <b>TOTAL CURRENT LIABILITIES</b>       |      | <u>427,989</u>         | <u>88,609</u>      |
| <b>NON-CURRENT LIABILITIES</b>         |      |                        |                    |
| Provisions                             | 2    | 2,249,000              | -                  |
| <b>TOTAL NON-CURRENT LIABILITIES</b>   |      | <u>2,249,000</u>       | <u>-</u>           |
| <b>TOTAL LIABILITIES</b>               |      | <u>2,676,989</u>       | <u>88,609</u>      |
| <b>NET ASSETS</b>                      |      | <u>4,819,038</u>       | <u>4,348,226</u>   |
| <b>EQUITY</b>                          |      |                        |                    |
| Issued capital                         | 3    | 8,572,164              | 7,672,749          |
| Reserves                               |      | 1,569,798              | 1,475,570          |
| Accumulated losses                     |      | (5,322,924)            | (4,800,093)        |
| <b>TOTAL EQUITY</b>                    |      | <u>4,819,038</u>       | <u>4,348,226</u>   |

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*

**BLACKHAM RESOURCES LIMITED  
AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Half-Year Ended 31 December 2011

|  | 31 December 2011<br>\$ | 31 December 2010<br>\$ |
|--|------------------------|------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |                        |                        |
| Payments to suppliers and employees                                  | (345,836)              | (417,096)              |
| Interest received  | 5,827                  | 45,997                 |
| Proceeds from research and development tax claim                     | -                      | 196,830                |
| Proceeds from financial assets at fair value through profit and loss | -                      | 63,042                 |
| Payments for financial assets at fair value through profit and loss  | -                      | (4,050)                |
| Payments for exploration and evaluation                              | (716,457)              | (397,517)              |
|  | <hr/>                  | <hr/>                  |
| Net cash (used in) operating activities                              | (1,056,466)            | (512,794)              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                          |                        |                        |
| Purchase of plant and equipment                                      | (25,642)               | (5,008)                |
| Sale of tenements  | -                      | 38,500                 |
| Short term loan  | -                      | (200,000)              |
| Purchase of Investments  | (8,000)                | -                      |
| Acquisition of tenements   | (381,403)              | -                      |
|  | <hr/>                  | <hr/>                  |
| Net cash (used in) investing activities                              | (415,045)              | (166,508)              |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                          |                        |                        |
| Proceeds from issue of equities                                      | 383,215                | -                      |
| Payments for costs of issue of equities                              | (1,050)                | -                      |
|  | <hr/>                  | <hr/>                  |
| Net cash provided by financing activities                            | 382,165                | -                      |
|  | <hr/>                  | <hr/>                  |
| Net (decrease) in cash held  | (1,089,346)            | (679,302)              |
| Cash and cash equivalents at beginning of period                     | 1,409,643              | 2,548,911              |
|  | <hr/>                  | <hr/>                  |
| Cash and cash equivalents at end of reporting period                 | 320,297                | 1,869,609              |
|  | <hr/>                  | <hr/>                  |

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*



**BLACKHAM RESOURCES LIMITED  
AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the Half-Year Ended 31 December 2011

|   | Issued<br>Capital | Reserves      | Accumulated<br>Losses | Total         |
|---|-------------------|---------------|-----------------------|---------------|
|   | \$                | \$            | \$                    | \$            |
| <b>Balance at 1 July 2010</b>             | 7,672,749         | 1,450,560     | (4,313,478)           | 4,809,831     |
| Total comprehensive income for the period | -                 | -             | (231,756)             | (231,756)     |
| <b>Balance at 31 December 2010</b>        | 7,672,749         | 1,450,560     | (4,545,234)           | 4,578,075     |
| <br><b>Balance at 1 July 2011</b>         | <br>7,672,749     | <br>1,475,570 | <br>(4,800,093)       | <br>4,348,226 |
| Total comprehensive income for the period | -                 | -             | (543,615)             | (543,615)     |
| Share based payments                      | 517,250           | -             | -                     | 517,250       |
| Exercise of listed options                | 383,215           | -             | -                     | 383,215       |
| Cost of share issue                       | (1,050)           | -             | -                     | (1,050)       |
| Issue of employee & consultants options   | -                 | 115,012       | -                     | 115,012       |
| Expiry of options                         | -                 | (20,784)      | 20,784                | -             |
| <b>Balance at 31 December 2011</b>        | 8,572,164         | 1,569,798     | (5,322,924)           | 4,819,038     |

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

**BLACKHAM RESOURCES LIMITED  
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2011

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**1. Basis of Preparation**

These general purpose interim financial statements for the half-year reporting period ended 31 December 2011 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Blackham Resources Limited and its controlled entities (consolidated entity). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the consolidated entity. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the consolidated entity for the year ended 30 June 2011, together with any public announcements made during the following half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

**New and Revised Accounting Standards**

In the current year, Blackham Resources Limited has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the entity's accounting policies.

**Going Concern**

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

For the half-year ended 31 December 2011, the consolidated entity incurred a loss of \$543,615 and net cash outflows of \$1,089,346. As at 31 December 2011, the consolidated entity had net current assets of \$170,401 and an obligation to establish environmental bonds of \$2,249,000 (Note 8).

In considering whether the going concern basis is appropriate for preparing this financial report, the directors recognise that current levels of working capital may be insufficient to meet its planned and proposed levels of expenditure for the forthcoming year. However, the directors believe that the necessary funds will be raised as required and that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report, based on the following key considerations:

- As disclosed in Note 5, the Company raised \$950,000 in a share placement, subsequent to balance date;
- The ability of the company to raise further capital by the issue of additional shares under the *Corporation Act 2001*;
- The potential to sell interest in exploration and evaluation assets for cash or for assets readily convertible into cash; and
- The ability to curtail administration and operational cash out flows as required.

**BLACKHAM RESOURCES LIMITED  
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2011

**2. PROVISIONS**

|                              | <b>31<br/>December<br/>2011</b> | <b>30<br/>June<br/>2011</b> |
|------------------------------|---------------------------------|-----------------------------|
|                              | <b>\$</b>                       | <b>\$</b>                   |
| Provision for rehabilitation | 2,249,000                       | -                           |

The provision for rehabilitation relates to the Matilda Gold acquisition that occurred during the half-year.

**3. CONTRIBUTED EQUITY**

**(a) Issued and paid up capital**

|                               | <b>\$</b>        | <b>\$</b>        |
|-------------------------------|------------------|------------------|
| Ordinary shares               |                  |                  |
| Shares issued and fully paid  | 8,572,164        | 7,672,749        |
| Issued and fully paid capital | <u>8,572,164</u> | <u>7,672,749</u> |

**(b) Movement in ordinary shares on issue**

|            |                                | <b>Number of<br/>Shares</b> | <b>Total<br/>\$</b> |
|------------|--------------------------------|-----------------------------|---------------------|
| 1/07/2011  | Opening Balance                | 38,859,414                  | 7,672,749           |
| 31/10/2011 | Exercise of listed options (i) | 1,532,862 \$0.25            | 383,215             |
| 24/11/2011 | Share based payment (ii)       | 2,400,000 \$0.19            | 456,000             |
| 06/12/2011 | Share based payment (iii)      | 250,000 \$0.25              | 61,250              |
|            | Share issue costs              |                             | (1,050)             |
| 31/12/2011 | Closing Balance                | <u>43,042,276</u>           | <u>8,572,164</u>    |

- (i) During the half year, the Company issued 1,532,862 ordinary shares at a price of \$0.25 each due to the exercise of 1,532,862 listed options expiring 31 October 2011.
- (ii) During the half year, the Company issued 2,400,000 ordinary shares at a deemed price of \$0.19 as part of the consideration for the acquisition of Kimba Resources Pty Ltd.
- (iii) During the half year, the Company issued 250,000 ordinary shares at a deemed price of \$0.25 to Mr Greg Miles, Executive Director in accordance with shareholder approval granted at the Annual General Meeting held 28 November 2011.

**(b) Options over ordinary shares issued during the period**

| Grant date | Expiry date | Exercise price (\$) | Number issued during the period | Number exercised during the period | Number expired during the period | Balance at end of the period |
|------------|-------------|---------------------|---------------------------------|------------------------------------|----------------------------------|------------------------------|
| 14/9/11    | 14/9/13     | 0.31                | 100,000                         | -                                  | -                                | 100,000                      |
| 28/11/11   | 28/11/13    | 0.266               | 500,000                         | -                                  | -                                | 500,000                      |
| 28/11/11   | 28/11/14    | 0.285               | 500,000                         | -                                  | -                                | 500,000                      |

15,391,965 listed options expired on 31 October 2011.

**BLACKHAM RESOURCES LIMITED  
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2011

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**4. SEGMENT INFORMATION**

The directors have considered the requirements of *AASB 8 Operating Segments* and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

The consolidated entity operates in only one segment being mineral exploration in Australia.

**5. SUBSEQUENT EVENTS**

There is no matter or circumstance that has arisen since 31 December 2011 that has significantly affected or may significantly affect the operations, the results of those operations, or the state of affairs of the Group, other than those mentioned in below:

In March 2012, the Company finalised the placement of 4,750,000 ordinary shares at issue price of 20 cents to raise \$950,000.

**6. RELATED PARTY DISCLOSURES**

During the half year, the Company issued 250,000 ordinary shares at a fair value price of \$0.25 to Mr Greg Miles, Executive Director in accordance with shareholder approval granted at the Annual General Meeting held 28 November 2011.

There were no other related party transactions entered into for the half year ended 31 December 2011.

**7. CONTINGENT LIABILITIES**

The Scaddan Energy Joint Venture is between Scaddan Energy Pty Ltd (a 100% owned subsidiary of the Company) and Wesfarmers Resources Limited (Premier Coal), who have 70% and 30% contributing interests, respectively. Under the Agreement, Blackham is required to make the following payments to Wesfarmers Resources in compensation for receiving the technical data on the Project:

- (a) \$1.3 million upon a decision to commence commercial mining operations for lignite, in cash or shares at Blackham's discretion; and
- (b) a royalty of \$0.25/tonne (indexed at CPI) on Blackham's interest of the annual ROM coal tonnes extracted from the project and capped at \$12.5 million.

**8. CONTROLLED ENTITIES**

On 23 November 2011, the consolidated entity acquired 100% of Kimba Resources Ltd ("Kimba").

The acquisition of Kimba was treated as an asset purchase. The total cost of the shares acquired was \$1,056,000 and comprised an issue of equity instruments, attributable to the acquisition. The Company issued 2,400,000 ordinary shares with a fair value of \$0.19 each, based on the close of trade share price on 24 November 2011, the date control was obtained.

**BLACKHAM RESOURCES LIMITED  
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2011

**8. CONTROLLED ENTITIES (Cont.)**

|                                | <b>Recognised<br/>on acquisition<br/>\$</b> |
|--------------------------------|---|
| <b>Net assets acquired</b>     |   |
| Cash and cash equivalents      | 1,239                                       |
| Trade and other receivables    | 15,099                                      |
| Property, plant and equipment  | 18,190                                      |
| Exploration and evaluation     | 3,320,472                                   |
| Provisions                     | (2,249,000)                                 |
|                                | <u>1,106,000</u>                            |
| <b>Cost of the acquisition</b> |   |
| Shares issued at fair value    | 456,000                                     |
| Cash consideration             | 650,000                                     |
|                                | <u>1,106,000</u>                            |

The following consideration regarding the Kimba acquisition remains outstanding:

- (a) \$150,000 cash upon delineation of gold resources on the Tenements totalling 500,000 ounces gold (JORC);
- (b) \$150,000 cash upon delineation of gold resources on the Tenements totalling 750,000 ounces gold (JORC);
- (c) \$250,000 cash upon production of 50,000 ounces gold; and
- (d) A royalty of 1% net operating profit royalty on Nickel production profits.

Kimba is obliged to pay certain gold and nickel royalties on parts of the tenure if these areas are brought into production. Kimba is required to pay \$500,000 to the previous owner on first gold pour payment. Kimba will be liable for the remaining rehabilitation on the Matilda Gold Project and is required to establish \$2.249 million in environmental bonds, on the transfer of the mining leases from the previous owner to the Kimba.

**BLACKHAM RESOURCES LIMITED  
AND CONTROLLED ENTITIES**

**DIRECTORS' DECLARATION**  
For the Half Year Ended 31 December 2011

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In accordance with a resolution of the directors of Blackham Resources Limited, I declare that  
in the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position as at 31 December 2011 and of the performance for the half-year ended on that date of the consolidated entity; and
  - (ii) complying with Accounting Standards AASB 134: "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board



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Bryan Dixon  
Managing Director

PERTH  
Dated this 12 March 2012

**RSM Bird Cameron Partners**  
8 St Georges Terrace Perth WA 6000  
GPO Box R1253 Perth WA 6844  
T +61 8 9261 9100 F +61 8 9261 9101  
www.rsmi.com.au

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Blackham Resources Limited for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

*RSM Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS  
Chartered Accountants

*SCUBITT*

S C CUBITT  
Partner

Perth, WA  
Dated: 12 March 2012

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
BLACKHAM RESOURCES LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Blackham Resources Limited which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Blackham Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Blackham Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Blackham Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM BIRD CAMERON PARTNERS  
Chartered Accountants



S C CUBITT  
Partner

Perth, WA  
Dated: 12 March 2012